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August 7, 2023

VIA E-MAIL

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Honorable Martin Glenn
Chief United States Bankruptcy Judge
One Bowling Green
New York, New York 10004-1408

Re: *In re Celsius Network LLC , et al. (Case No. 22-10964 (MG))*
Celsius Network Limited v. StakeHound SA (Adversary No. 23-01138 (MG))

*Motion for Alternative Service and Related Case Management and Scheduling
Issues*

Dear Judge Glenn:

We represent defendant StakeHound S.A. ("StakeHound") in the above-referenced adversary proceeding. We write to provide a status report concerning the parties' discussions and negotiations of a stipulation and scheduling order resolving plaintiff Celsius Network Limited's ("CNL") *Motion for an Order Authorizing Alternative Service Pursuant to Federal Rule of Civil Procedure 4(f)(3)* (the "Service Motion"), and providing a schedule and framework for the expedited resolution of a motion to compel arbitration (the "Motion to Compel") to be filed by StakeHound. Guided by the Court's comments at last week's hearing, we have prepared a draft stipulation (the "Proposed Stipulation") – the initial draft of which we sent to CNL on Friday morning, followed by an updated version (with respect to the last paragraph) on Sunday. We have not yet received any comments or response from CNL on the Proposed Stipulation, and welcome the opportunity to discuss and work toward an agreement. Accordingly, and for the reasons described below, we request that the Court convert this afternoon's hearing into a status conference to discuss both the Proposed Stipulation and a proposed schedule for the resolution of the Motion to Compel. StakeHound's position on both the stipulation and the schedule with

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respect to the Motion to Compel is described more fully below, and StakeHound is willing to tender a proposed order to the Court reflecting these terms at the Court's request.¹

Consistent with the Court's directions during last week's hearing, StakeHound proposes the following terms:

- (1) StakeHound will accept service of process of the Adversary Complaint by e-mail to its U.S. counsel (without waiving any other rights or defenses, including those based on personal jurisdiction).
- (2) StakeHound's deadline to answer, move or otherwise plead to the Adversary Complaint is extended to October 3, 2023.
- (3) CNL will not seek, among other things, preliminary or final injunctive relief or turnover while the Motion to Compel is pending.
- (4) The Motion to Compel will be briefed on the following schedule: (i) **August 14, 2023** for StakeHound's moving papers; (ii) **August 21, 2023** for CNL's response to the motion; and (iii) **August 25, 2023** for StakeHound's reply brief. A hearing will be scheduled on the Motion to Compel at the Court's direction and convenience.
- (5) The parties may submit declarations and exhibits in connection with the Motion to Compel but no discovery will take place while that motion is pending and any hearings on that motion will be non-evidentiary.
- (6) While the Motion to Compel is pending, the parties: (i) will not take any actions accelerating the pending arbitration between the parties in Switzerland (except to respond to directions from the Arbitration Centre or the sole arbitrator, or to comply with applicable rules); and (ii) will submit a joint letter to the sole arbitrator requesting that the initial case management conference be scheduled for no earlier than September 15, 2023.

With respect to the scope of the restrictions on the sale or transfer of staked tokens (the "Staked Tokens"), StakeHound proposes a notice and objection framework, with exceptions for ordinary course uses, which are primarily the funding of legal fees and expenses. Under its proposed framework, StakeHound immediately would provide CNL with information sufficient for CNL to monitor the sale or transfer of any Staked Tokens. Subject to the exceptions described above, while the Motion to Compel is pending, StakeHound would provide CNL with five days' written notice of any intended sale or transfer of any Staked Tokens. If CNL does not timely object, StakeHound would proceed with such sale or transfer. If CNL timely objects, StakeHound would not proceed until the parties resolve the objection.

¹ StakeHound repeats that by negotiating the proposed stipulation or submitting this letter, it has not waived, and expressly preserves, all its rights, claims, defenses, positions and arguments, including without limitation that the Court does not have personal jurisdiction over StakeHound.

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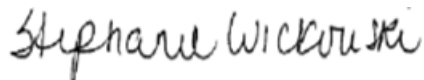
StakeHound seeks to carveout from these restrictions the sale or transfer of Staked Tokens to fund its legal expenses incurred in ongoing and future lawsuits, including the pending Swiss arbitration and its pending litigation in Israel. StakeHound has proposed certain limitations and conditions upon this carveout, and is ready to provide further detail about these limitations and conditions to CNL and to the Court, subject to appropriate protections for the confidential and proprietary nature of this information, including but not limited to an *in camera* presentation to the Court. These measures are necessary to protect commercially sensitive and attorney work product information that would be prejudicial to the interests of both parties if disclosed publicly.

While the Court considers these matters, StakeHound stands ready to (i) consent to accept service of the Adversary Complaint by e-mail on its U.S. Counsel; (ii) send a letter to the sole arbitrator asking that he schedule the initial case management conference for no earlier than September 15, 2023; and (iii) file the Motion to Compel promptly.

Given that StakeHound's consent to accept service will moot the Service Motion, we respectfully submit it would be most productive to convert today's 2 p.m. hearing into a scheduling conference concerning the Motion to Compel and StakeHound's proposed scheduling order. The terms of this proposed order track the proposals StakeHound provided to CNL's counsel last week and this weekend, and on which StakeHound awaits a response from CNL.

We appreciate the Court's consideration.

Respectfully,

A handwritten signature in dark ink, appearing to read "Stephanie Wickowski". The signature is written in a cursive, flowing style.

Stephanie Wickowski

cc: Mitchell Hurley (VIA E-MAIL)(MHURLEY@AKINGUMP.COM)
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